

286.3-915 Bank combinations -- Operation of a combined bank as a branch of the surviving bank -- Transfer of combined bank's main office and branches -- Definitions.

- (1) Notwithstanding any other provision of Subtitle 1, 2, or 3 of KRS Chapter 286:
 - (a) An individual or bank holding company that controls two (2) or more banks having their principal offices in this Commonwealth may, from time to time, combine any or all of the commonly controlled banks in this Commonwealth into and with any one (1) of the banks, and thereafter the surviving bank, which shall have its principal office in this Commonwealth, shall continue to operate its principal office and may operate the other authorized offices of the banks so combined as branches of the surviving bank; and
 - (b) Any combination authorized by this section shall not require the approval of the executive director of financial institutions, but on or before thirty (30) days prior to consummation of any combination, the proposed surviving bank shall notify the executive director of the combination, and on the effective date of any such combination the charter of any combined bank organized under the laws of this Commonwealth shall be surrendered.
- (2) Following any combination authorized by this section:
 - (a) The surviving bank may, subject to the approval of the executive director as provided in KRS 286.3-180(2), establish and operate additional branches in any county where any bank involved in the combination had established a branch or main office;
 - (b) Any combined bank which is being operated as a branch of the surviving bank shall have a board of directors, a majority of which shall be residents of the combined bank's community, which shall meet not less often than quarterly to advise the branch in a nonfiduciary capacity with respect to the branch's community activities and affairs, customer relations, and local charitable activities;
 - (c) The surviving bank shall maintain a record of the deposits in each of its offices resulting from such combination or thereafter established as provided in paragraph (a) of this subsection; and
 - (d) With the approval of the executive director, all of a bank's offices in a county may be transferred, by a purchase and assumption or other transaction, by the bank to a newly chartered bank having its principal office in the same county, or to an existing bank.
- (3) For purposes of this section:
 - (a) The term "combine" or "combination" includes a merger or the acquisition of all or substantially all of the assets of a bank already controlled by an individual or bank holding company;
 - (b) An individual or bank holding company "controls" a bank if that individual or company, directly or indirectly, owns, controls, or has the power to vote at least eighty percent (80%) of the issued and outstanding voting securities of the bank;

- (c) "Combined bank" means any bank participating in a combination authorized by this section other than the surviving bank;
- (d) "Surviving bank" means a bank into which a combined bank has been combined;
- (e) "Bank" includes a national bank, savings and loan association, and federal savings bank; and
- (f) "Individual," "bank holding company," and "deposit" shall have the same meanings attributed to them in KRS 286.3-900(1).

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 135, sec. 4, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 196, sec. 21, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 254, sec. 38, effective July 15, 1996; and ch. 338, sec. 20, effective July 15, 1996. -- Created 1990 Ky. Acts ch. 181, sec. 1, effective July 13, 1990.

Formerly codified as KRS 287.915.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.